Modernisation of IISCO

373. SHRI CHATURANAN MISHRA :

SHRI GURUDAS DAS GUPTA :

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that Government have not yet taken any decision on the modernisation proposal of Indian Iron and Steel Company;

(b) if so, what are the details thereof and the reasons therefor;

(c) whether it is also a fact that the Managing Director of IISCO has expressed his desire for retirement from service due to the delay in accepting the modernisation proposal; and

(d) if so, what is Government's reaction thereto ?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI) : (a) and (b) No, Sir. Modernisation of Burnpur Works of IISCO stands approved in principle by the Government. The Report from Japanese Consulting Companies entails very high capital costs. Therefore M/s. Dastur & Co. Ltd. have been entrusted with the task of giving a second professional opinion to Government on the approach to the modernisation investment. Government would like to have a most cost effective investment and optimum utilisation of indigenous capabilities.

(c) No, Sir.

(d) Does not arise.

Increase in the cost of Pepsi Project

374. SHRI CHATURANAN MISHRA :

SHRI N.E. BALARAM :

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that the Project cost of Pepsi Co. was revised twice since its approval:

(b) if so, what was the original cost of the project and the details of the revisions made; and

(c) what are the reasons therefor ?

THE MINISTER OF TEXTILES WITH ADDITIONAL CHARGE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD YADAV) : (a) Government has approved revision in total equity in the project only once.

(b) According to Punjab Agro Industries Corporation, the original cost of the project was Rs. 21.50 crores and the revised cost is estimated to be Rs. 50 crores.

(c) According to M/s. Punjab Agro Industries Corporation the reasons for the increase in the project cost are as follows;—

(1) The project profile has been substantially enhanced and significantly higher investments are proposed in the core areas of fruit/vegetable and grain processing.

(2) The investment in fixed assets such as land, equipment, plant and machinery and supporting infrastructural and ancillary facilities would be at higher levels.

(3) Since 1986, when the project was mooted, inflationary pressures have increased the costs substantially.